



# PROGRESSIVE ASSOCIATION OF SERICULTURISTS (PAS): AN EXPERIENCE OF BAIF IN SILK PRODUCT MARKETING AND PROMOTION IN MAHARASHTRA

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## ABSTRACT

While sericulture has proved to provide gainful employment, institutional innovations to bring in synergy amongst various stakeholder groups would help to augment higher income at the hand of primary producers. Various interventions across the sericulture value chain for setting up replicable business models, which can be networked effectively to create opportunities for rural enterprises to take root and also to sustain, were taken up by the Sericulture Division of BAIF, an NGO. Consistent efforts made by BAIF in mobilizing the primary producers to Self Help Group and further federating it to 'PAS' Silk Producers Cooperative Society Ltd., are detailed.

Role and linkages amongst the primary producers, viz., silkworm rearers, reelers, twisters, weavers, and fashion designers to manage the entire value chain and marketing of cocoons, raw silk, fabric and sericulture inputs to benefit of all stakeholders involved in sericulture production chain are elaborated. Efforts made to increase the profit margin of 'PAS' through collaboration with other cooperatives in mutual product marketing are also detailed. Future strategies to nurture and scale up the PAS with support from various developmental schemes including the Catalytic Development Programme (CDP) of Central Silk Board and Mahila Kisan Sashaktikaran Pariyojana (MKSP) project are also discussed.

**KEY WORDS:** value chain, PAS, livelihoods, market promotion, stakeholder, sericulture.

## Introduction:

Maharashtra state, relatively a new entrant to sericulture still need to gain ground in view other cash crops like sugarcane, cotton etc. However, it is proven beyond doubt that the twenty two districts comprising Vidarbha, Marathwada and Western Ghat regions and divisions of Amravati, Nagpur, Aurangabad and Pune are potential for sericulture development. The state has no statute for regulating transaction of cocoons and raw silk and there are no organized markets in the state besides insufficient inadequate marketing systems (Sinha and Sathyanarayana, 2012). In the present scenario of increasing labour and production costs resulting in low returns, there is an immediate need for intervening across the silk value chain to increase the share of primary producers for up scaling and sustenance of silk industry in the state.

In view of catering to the local needs of the producers across the value chain, BAIF, Central Research Station at Urulikanchan, Pune had initiated sericulture programme during 1986. The existing farmers internalized its importance in view of the potential of sericulture sector in creating ample livelihood opportunity and prosperity. The center was also designed and developed soil to fabric demonstration and live models to promote and popularize mulberry sericulture as an important option for livelihoods with sustainable income and employment generation activity for farming community in Maharashtra in general and Pune district in particular. All the primary producers across the silk value chain viz., silkworm rearers, reelers, weavers and fashion designers were promoted and encouraged for adding value at various nodes of the silk value chain.

BAIF has motivated and organized 'lead farmers' and other related stakeholders to form an informal cooperative society to manage sericulture value chain system and marketing in professional manner to benefit all stakeholders involved in sericulture production chain. The Silk Producers Cooperative Society Ltd', was registered in the year 2007 and since then successfully marketing pure silk products with the technical support of BAIF.

## Methodology:

**Genesis of Progressive Association of Sericulturists (PAS):** All the primary producers in the value chain were mobilized to form Self Help Groups, after attaining the required skills through capacity building they were federated in to a registered cooperative society in

the year 2006 and named 'PAS Silk Producers Cooperative Society Ltd' (Reg.No.PNA/GNL/C-133/2007), of which "P" denote for Purity, "A" for Austerity and "S" for Serenity in general terms. Consistent efforts were made to create network of different players in the industry to improve market and profit sharing for sustainable growth of farmers cooperative.

PAS Silk Producers Co-operative Society strictly adhere to promoting silk products produced by hand operated machines only to create more employment and income to primary producers to enhance their socio-economic status besides sustenance of the activity. Except reeling activity all others activities like twisting, re-reeling, degumming and weaving would preferred to carry out at family level for more employment generation.

Since BAIF mission highlights on creating gainful self employment for sustainable livelihoods to rural communities. Hence, an opportunity provided to PAS cooperative society in order to strengthen all players in the sericulture value chain and bring them into common platform for sustainable growth and development of individual in particular and industry as a whole.

PAS cooperative society was started its function with the following objectives.

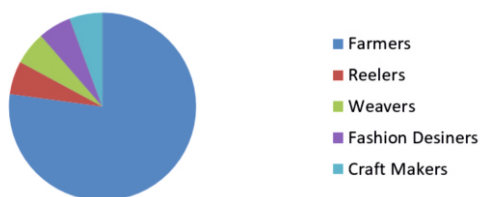
- To develop market linkage for sericulture products and improve income level of each primary producer,
- To bring farmers, reelers, weavers and fashion designers under common platform to bring in the required synergy,
- To initiate production of pure silk products marketed through PAS brand and
- To promote and educate customers in pure silk products.

**Functional modalities of Progressive Association of Sericulturist (PAS):** PAS's business operations are spread in and around Pune. The main objective of the cooperative is to provide sustainable livelihood to the primary producers in sericulture value chain and promotion of pure silk. The cooperative members include not only the silk farmers, but the different players viz. silkworm rearers, processors, reelers, degummers, twisters, dyers, weavers and designers. The business operations of PAS Silk cooperative include providing sericulture input supplies viz., micronutrients, disinfectants, and other essential

input materials for sericulture activity as per farmer requirement and customer demand.

The cooperative initially started with only 26 members and now it has increased its strength by 35 active members. The management group of the cooperative consists of a President, Vice President, Secretary, Treasurer, and Advisor. Presently they receive no payment as such except for the 15% dividend at the end of the year. An employee has also been appointed for taking care of sale of the finished silk products through silk outlet at BAIF Central Research Station, Pune. The employee is paid as per the amount agreed by the management. To become a new member a person should purchase at least 5 shares worth of Rs.500/- in addition to the registration fee of Rs. 100. The share amount is refundable in nature and can be recovered by the member if wishes to withdraw his membership.

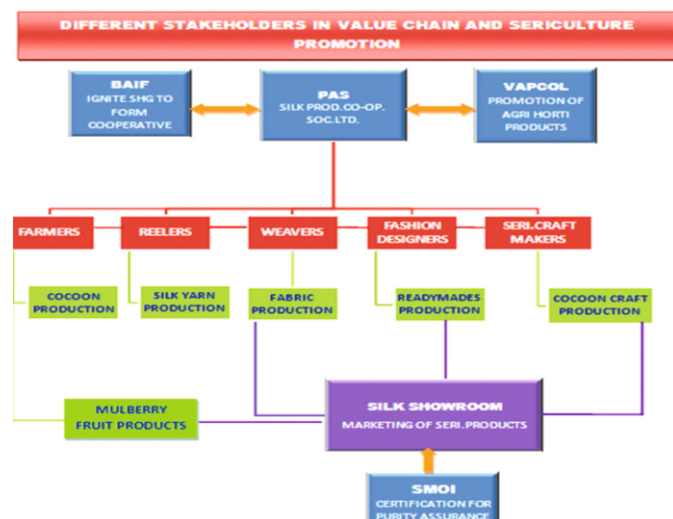
Stakeholders in Value chain



**Distribution of Dividend based on share amount:** The dividend based on members share amount would be distributed after Annual General Meeting (AGM). The profit earned through sale of product or any other sources would reserve in different funds as per government rules and norms. The percentage of dividend to be distributed would be decided by Directors in Director Body Meeting and approved in Annual General Meeting. Annually 15% of dividend based on members share amount would be distributed.

**Importance of strengthening the value chain:** Sericulture farmers are mostly isolated from the consumers and many times major share in the value chain is taken away by the middle men. Working across the value chain facilitates primary producer their due share besides sustenance of the activity without any outside support. Similarly through flow of information and products, the consumers are also linked to the needs of the farmers. Through this approach, the returns to the farmers can be increased and their livelihood could be enhanced. The value chain can be strengthened by analyzing the present value chain to understand and identify the present relationships and coordination mechanism, and understand the players who have a dominant part and ability to influence the value chain by addressing the gaps. There is a need to develop the value chain to improve the access to the market and ensure more efficient product flow along with ensuring all actors in the value chain get benefit.

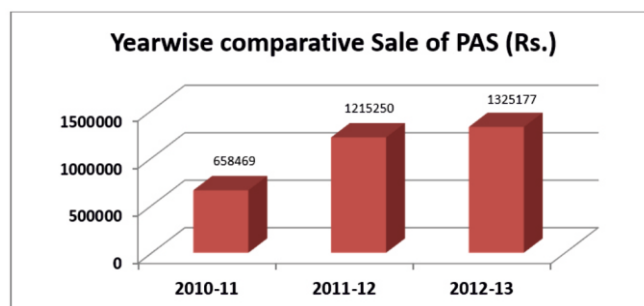
**Compliance Tracking System:** In order to achieve the desired success, appropriate monitoring system has been set in place. BAIF plays a pivotal role in monitoring and supporting essential assistance to ensure proper working of PAS. Quarterly meeting of cooperative members would be in order to discuss various issues related to their field of work and together work for its solution. BAIF assists them in resolving any problems faced by them.



**Silk Mark – A Quality Assurance label:** Silk Mark is being promoted by Silk Mark Organization of India (SMOI), an initiative of Central Silk Board, Ministry of Textiles, and Government of India. The Silk Mark helps to protect the interests of the consumer, protect the interest of genuine traders and manufacturers of Silk as well as generic Promotion of Natural Silk. The cooperation, guidance and timely monitoring support PAS to promote pure silk products and also win the customers interest.

- Participation in SMOI(Silk Mark of India- Quality assurance from CSB) exhibition
- Participation in exhibition in Pune, Mumbai and identified places.
- Participation in exhibition at fashion designing college & IT companies
- Market promotion through website and use of Information technology & communication
- Publicity through Just Dial marketing agency.
- Publicity by making printed bags & visiting cards.

**PAS business and collaboration with other like mined partners:** The business of PAS silk products since inception has shown significant increase in its sale. The profit margin also increased through collaboration with other cooperatives in mutual product marketing viz., VAPCOL-Vasundhara Agri-Horti Producer Company Ltd., which produces value added products like cashew, mango grown by tribals. The graph represents comparative picture of last 3 years of PAS business



**Product Market Mix:** The cooperative sells a wide range of products made from silk and silk waste. The products are given below:

- **Men's Wear:** Kurtas, Shirts, Ties, Jackets, Bridal turban and shoes
- **Women's' Wear:** Sarees, Tops, Kurtis, Stoles, Shawls, scarves, Designer Wears
- **Home Decoration:** Bed sheets, carpets, curtains
- **Handicrafts:** Cocoons dolls, Cocoon flowers, cocoon garlands, ladies purses, Mobile pouch, jewellery boxes, files
- **Fabric:** Mulberry, Tasar, Eri/Spun fabric

**BAIF experience and learning in promotion and marketing of sericulture products and enhancing livelihoods by evolving PAS**

- BAIF supports PAS in establishing sericulture outlet and provide technical support. BAIF focuses on design and development of innovative ideas and products.
- Promotion of PAS has helped to market the products and ideas through strong networking of stake holders and professionalism in marketing the product.
- Marketing of sericulture product through linkage of PAS members in different areas also increase the demand for products increasing the primary producers' share and also creation of sustainable livelihoods.
- Dissemination and promotion of sericulture technology made easy through PAS outlet. People visiting outlet show keen interest in sericulture technology and get benefited by the live demonstrations. The customers like technocrats, farmers, Govt.officials,

NGOs, Private companies etc contributed to sericulture promotion directly and indirectly.

- Some benefits like concession in Silk Mark of India –quality assurance processing fees and member ship fees as well as for silk exhibition, cooperative get concession and encouragement to exhibit Silk products which indirectly help BAIF to promote sericulture technology.
- The platform created by BAIF-PAS helps to share new ideas and provide interaction with different stakeholders, technocrats, innovators, scientists and progressive farmers which helps in binding relations and extension lead into mutual business opportunity which ultimately improve the livelihood opportunity of beneficiaries.
- PAS also purchasing cocoons from different Sericulture states and helping sericulture farming community by providing value added service.

**Future Strategies:** Understanding and internalization of cooperation of individual player with specific role clarity, terms of exchange, profit sharing and compliance tracking systems are great strength of the PAS cooperative. Marketing of silk products is not possible by government agencies alone, which can play a role of facilitator and only participation of active NGOs/ private institutions can develop a base for raw material and organize rural poor to in to groups/SHGs with participatory approach (Teotia et.al., 2007). In the meantime, a mechanism needs to be developed involving NGOs with minimal monitoring charges so that the activities will sustain even after withdrawal of project assistance (Sathyanarayana et al., 2008). It is essential to impose and make policy that the member who produce cocoons or raw silk / fabric must be supplied to their next player or stakeholder involved in the value chain of the cooperative thus reducing the operating cost and increasing returns to farmers. It is also essential that the surplus generated from the cooperative could be effectively used for market promotional events. Several marketing promotional options like web designs display of slogans, use of Information communication technology like blog, face book etc could be effectively used to promote PAS Silk through online marketing. The business also needs to be expanded by increasing the producer base in the cooperative besides introducing the innovative products to increase the customer base.

While a beginning has been made in non-traditional state like Maharashtra, further up scaling of the model can be taken up utilizing relevant schemes under Catalytic Development Programmes of CSB. Besides, efforts are already being made to address the gaps in tasar silk value chain starting from augmentation of tasar host plants, seed rearing, seed production, cocoon production and conversion, producer institution building, design and product development under Mahila Kisan Sashaktikaran Pariyojana (MKSP) with assistance from the Ministry of Rural Development and CSB starting 2013-14 covering around 6000 tribal families with a project grant Rs. 10.13 crores.

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